Don Nickles, Chairman

U.

Doug Badger, Staff Director 347 Russell Senate Office Building

(202)224-2946 October 19, 1995

## Presidential Veto Threat on ANWR Leasing

On September 21, 1995, Director of the Office of Management and Budget (OMB) Alice Rivlin wrote Energy and Natural Resource Committee Chairman Frank Murkowski to "alert" him that the President would veto a reconciliation bill "that includes language to open the coastal plain of the Arctic National Wildlife Refuge." The Committee included in its reconciliation recommendations a provision to permit the environmentally sound exploration, development, and production of the oil and gas resources of the Coastal Plain of the Arctic National Wildlife Refuge (ANWR) in Alaska.

In explaining the veto threat, OMB Director Rivlin cited the need to "protect" the "biologically-rich wilderness" of the Coastal Plain, and the need to "ensure that Native Americans can use these lands for traditional hunting and fishing." She asserted that oil and gas development would impact these "pristine" lands by disturbing them with exploration and production activities, permanent operating facilities, and construction and operation of a pipeline to connect to Prudhoe Bay and the TransAlaska Pipeline System. "Each stage would bring physical disturbances of the area, risks of oil spills and pollution, and long-term damage that would impair wildlife for decades or centuries," she writes.

A list of her proffered rationales for the veto threat and suggested responses are presented below:

## The Arctic Coastal Plain is a pristine, biologically-rich wilderness that must be protected.

- It is not pristine. Webster's Third New International Dictionary defines "pristine" as "uncorrupted by civilization or the world" and "free from drabness, soil, or decay." The Administration's attempt to sanctify the 1002 area by calling it "pristine" is misleading. Sharing the Arctic Coastal Plain with the proposed 1.5 million acre lease (referred to as the "1002 area") is the Alaskan Native City of Kaktovik, three military radar sites, and a major airplane runway. The remainder of the Coastal Plain has been used by the local Alaskan Natives living in Kaktovik for centuries. The Coastal Plain is a barren tundra, and is home to no endangered species.
- Nevertheless, 450,000 acres of the Coastal Plain is already protected. In 1980, Congress designated a 450,000-acre tract on the Coastal Plain as Wilderness, making it permanently off-limits to development.

FAX (202) 224-1235 Internet: nickles@rpc.senate.gov. Leasing will affect only a small portion of the Arctic National Wildlife Refuge.

ANWR is 19 million acres, of which the 1002 leasing area is approximately 1.5 million acres. Only about 2,000 to 7,000 acres of the leasing area are expected to be covered by permanent structures. Moreover, virtually all the exploration activities will be conducted in the winter on ice roads and drilling pads that will melt away harmlessly in the spring.

The Administration wants to ensure traditional hunting and fishing by the Native Americans.

- The Administration is disregarding the desires of the Native Americans. Both the North Slope Borough, home to one of the largest Eskimo populations in the world, and the Arctic Slope Regional Corporation, representing the Inupiat Eskimos of the North Slope, strongly advocate the environmentally sound exploration and production of oil and gas from the Coastal Plain. In addition, more than three-quarters of all Alaskans favor exploration and production in ANWR. [Note: Oil leasing is opposed by the Gwich'in Indians, located about 150 miles south of the 1002 area. This tribe's stated concern is that the annual caribou migration to calve in ANWR might be disrupted. However, during the 1980s the tribe was willing to lease its lands for oil development. Unfortunately, the Gwich'in Indians' leases produced no oil.]
- The Administration's goals are paternalistic. It is supreme arrogance for this Administration and the Washington environmental lobby to force U.S. citizens into a living museum and deny them the opportunities to improve housing, education, sewage, and drinking water facilities. Many small communities in Alaska, including the city of Kaktovik, do not have indoor waste-water plumbing. The revenues due to the Inupiats and other Alaska natives for production of their resources will enable them to transcend poverty, improve living conditions, and still maintain traditional hunting and fishing.

"Each stage of oil development will bring physical disturbances, risks of pollution, and longterm damage that would impair wildlife for centuries."

- The physical disturbances will be minimal. Exploration activities in the winter using ice roads, and minimization of the number and size of permananet structures will reduce physical impacts on the 1002 area. The actual structural "footprint" on the ANWR plains will be less than a Dulles Airport in an otherwise untouched South Carolina.
- Structures, including the pipeline, will be removed following cessation of oil production. All facilities, including the gravel pads, will be removed as a matter of law following the cessation of production activities.
- Twenty years of oil production experience at Prudhoe Bay has demonstrated no adverse affect on local wildlife or spill damage. Despite the alarmist predictions of the Administration and extremist environmentalists, two decades of construction and production experience at Prudhoe Bay, only 100 miles east of the 1002 area, conclusively indicates the ability of oil operations to be conducted without harm to the wildlife or the

tundra. For example, the Central Arctic Caribou Herd at Prudhoe Bay has grown from 6,000 to 23,000 during the last 20 years.

Studies show that oil development would seriously threaten the caribou herd, violating a 1987 joint U.S.-Canada agreement.

- The caribou herd is not in danger. In 1987, the Department of the Interior exhaustively studied the Porcupine Caribou Herd that uses the Artic Costal Plain and concluded that there would not be significant adverse impacts on the herd from environmentally responsible oil development of the 1002 area. The treaty with Canada does not preclude environmentally responsible development within the 30 million acre range of the herd.
- Canadian activities have exceeded proposed 1002 activites without negative impact on the herd and without treaty violation. The Canadians have even built a major highway directly across the migration route of the Porcupine Caribou Herd, and have drilled almost 100 exploratory oil and gas wells within the heard's range some wells were even drilled on the herd's calving grounds.

Staff contact: Mark Whitenton, 224-2946.